

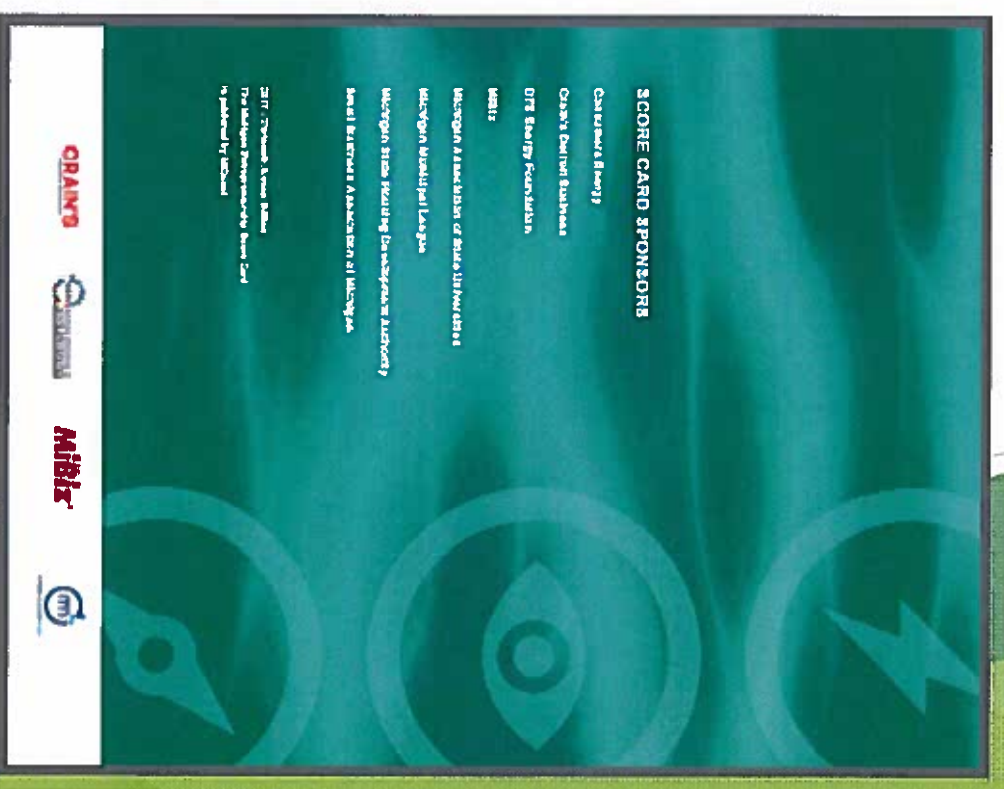
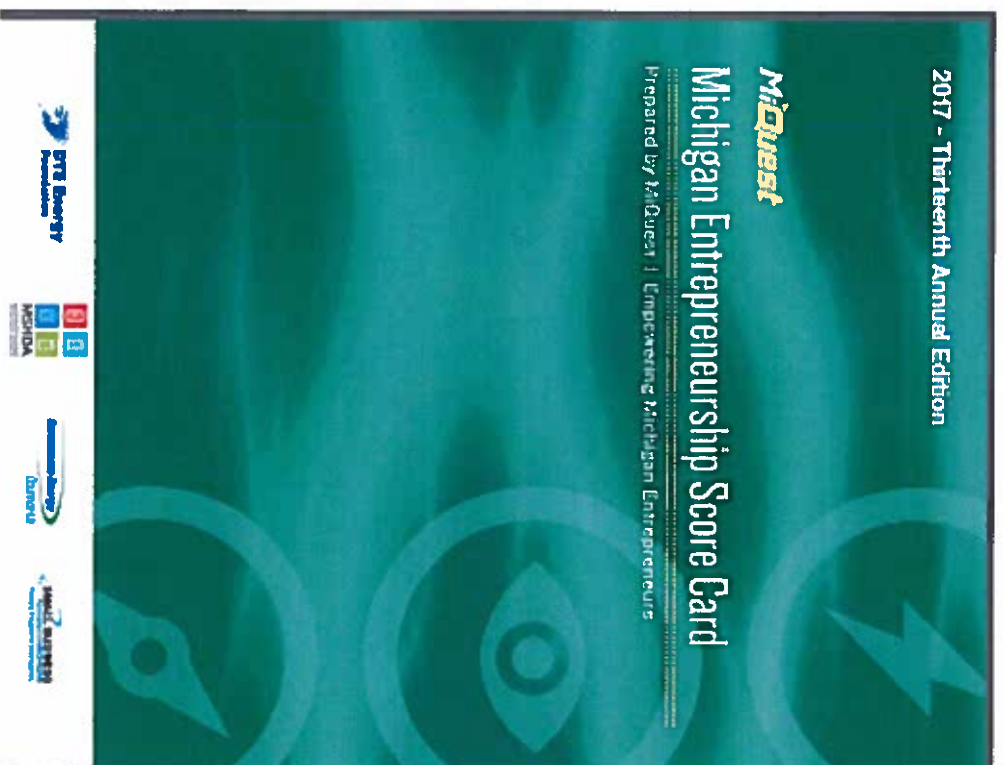
# Michigan Entrepreneurship 2017: Making Progress

Rob Fowler, Small Business Association of Michigan

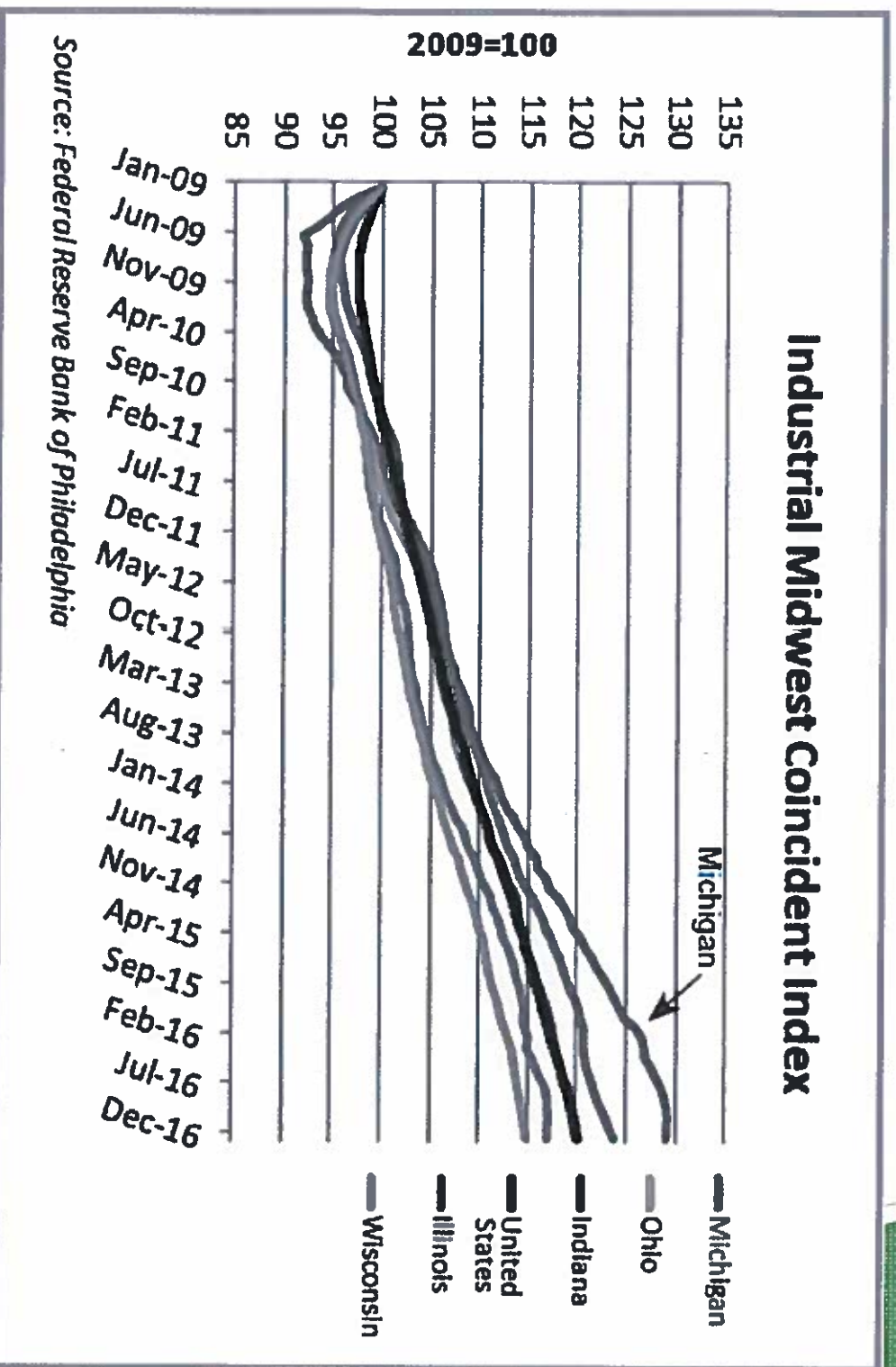
Tony Stamas, Small Business Association of Michigan



## Score



# How is Michigan Doing?





# Key Score Card Results

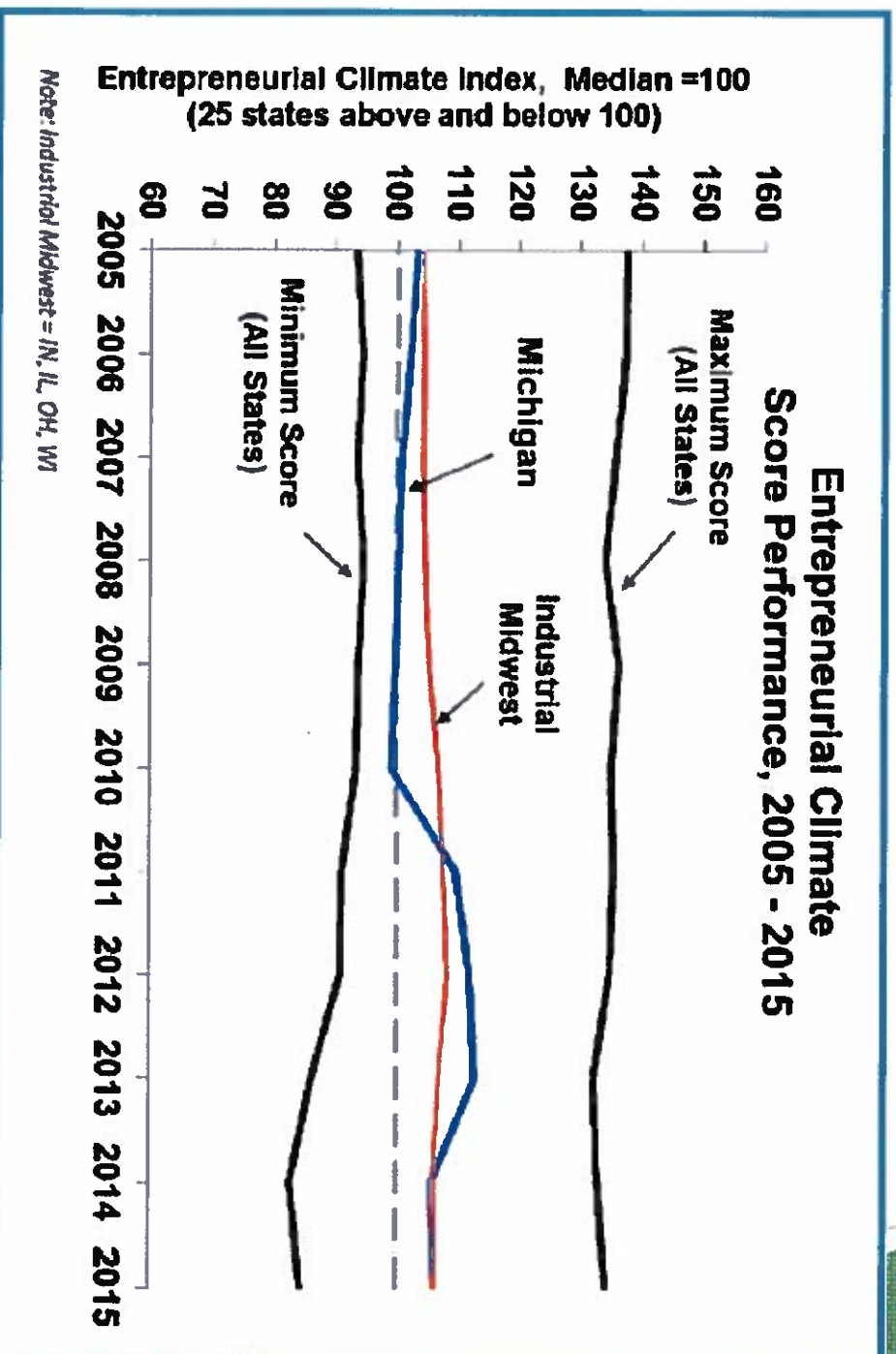
**CLIMATE:** *The factors that support the entrepreneurial economy*

**CHANGE:** *The direction and momentum of growth in the entrepreneurial economy*

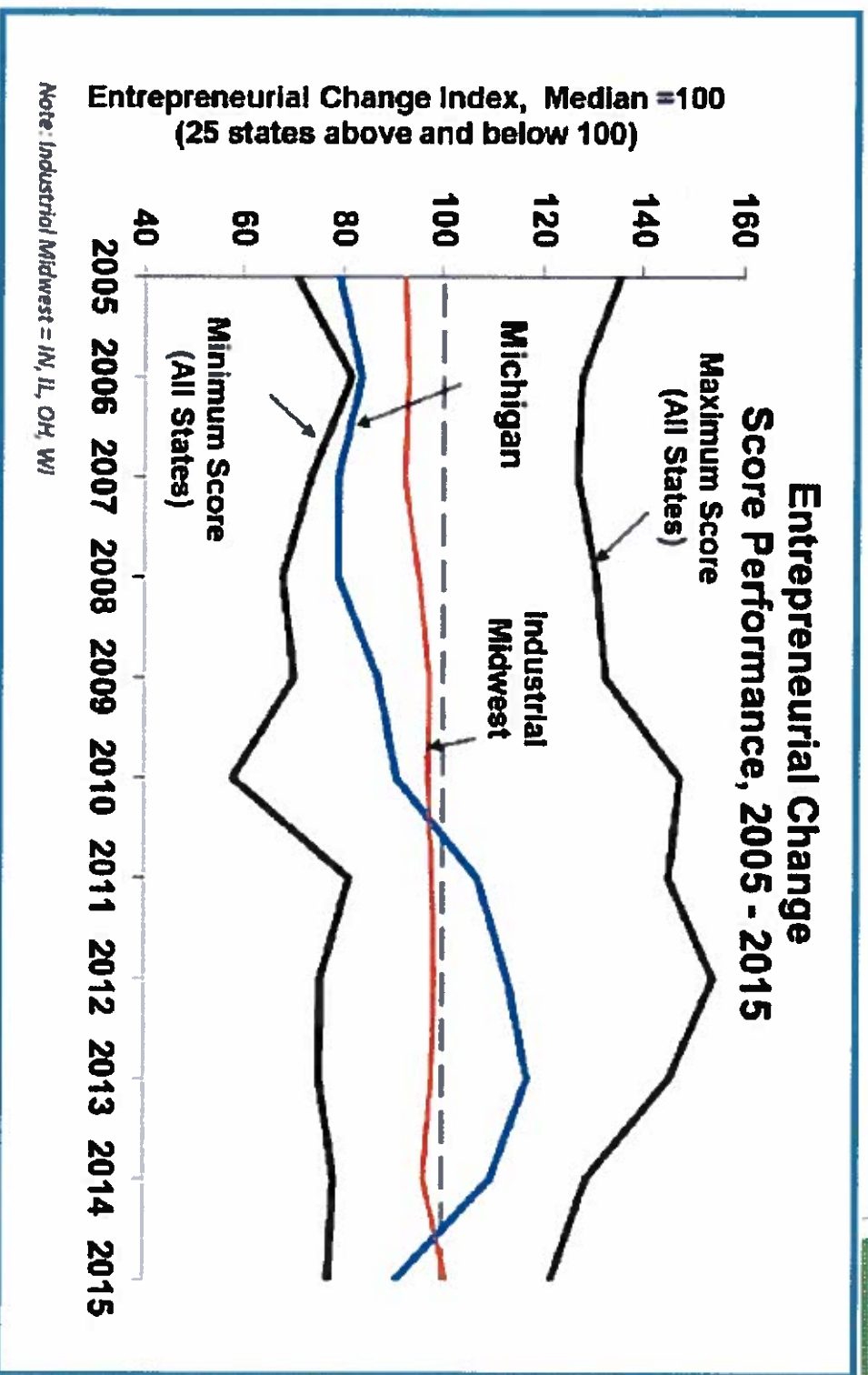
**VITALITY:** *The level of entrepreneurial activity relative to that in other states*

This report incorporates the latest full year of data, 2015.

# Entrepreneurial Climate

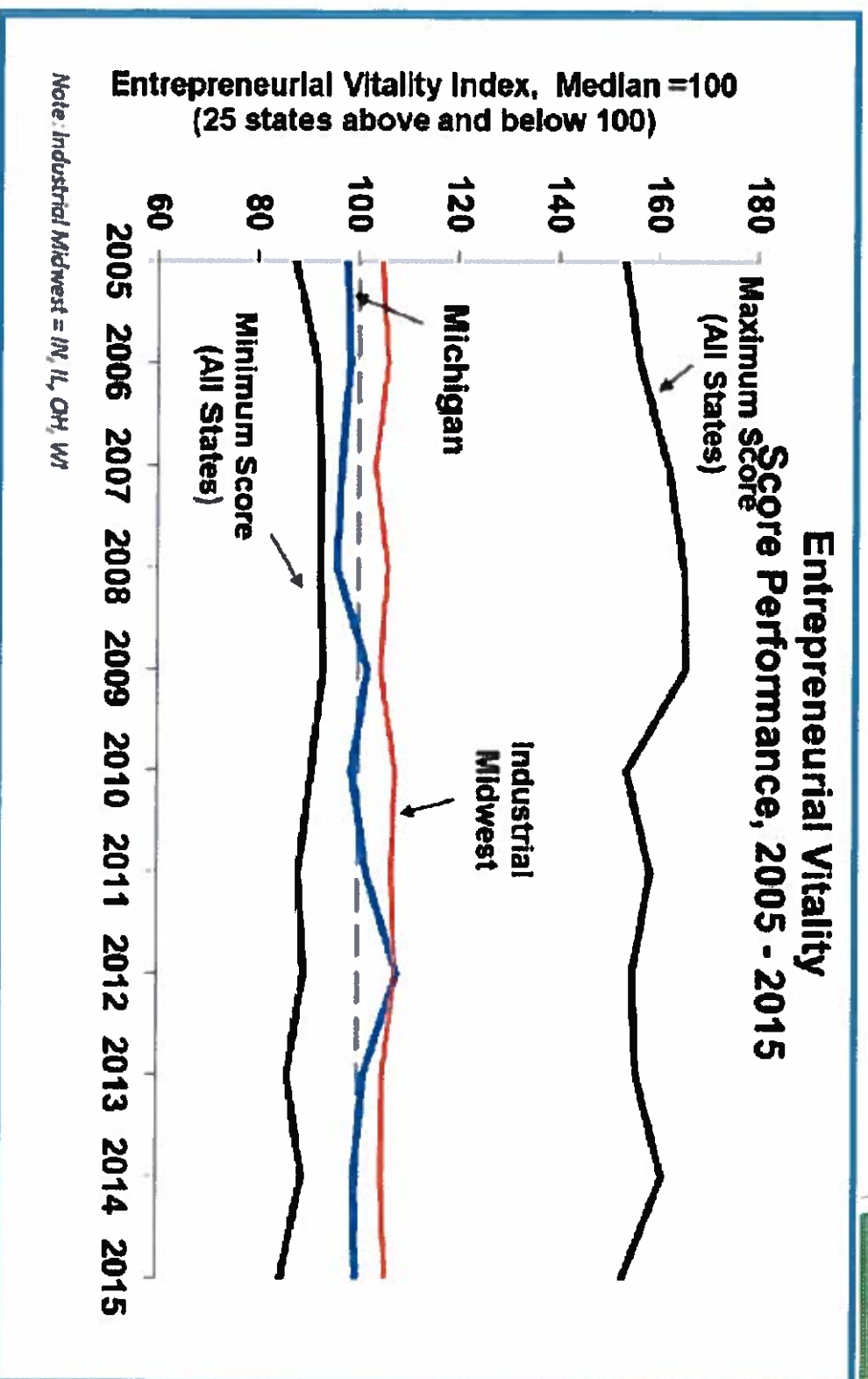


# Entrepreneurial Change





# Entrepreneurial Vitality



# Top Ten Areas

- ▶ 5-Year Establishment Survival - 10
- ▶ Research and Innovation - 10
- ▶ University R&D Performance - 5
- ▶ Industry R&D Performance - 4
- ▶ Patents per R&D Dollar - 10
- ▶ Patents per Worker - 8
- ▶ Private Business Profit Growth - 9
- ▶ Fortune 500 - 10
- ▶ Entrepreneurial Programs - 8
- ▶ SAT Performance - 10
- ▶ 4 Year + Tech Credentials - 6
- ▶ Post-secondary pre-BA Attainment - 8



# Top Ten Areas

- ▶ Physical Science & Engineering Workers - 2
- ▶ High-tech Manufacturing Employment - 2
- ▶ Workers' Compensation Premiums - 7
- ▶ Business Tax Burden - 4
- ▶ State Business Tax Structure - 7
- ▶ Business Liability Costs - 10
- ▶ Water Systems - 6
- ▶ Pocket Book Indicators - 8
- ▶ Homeownership Rates - 2
- ▶ Top Ranked Graduate Programs - 7
- ▶ Workforce Preparedness - 10

# Bottom Ten Areas

- ▶ Bank and Commercial Lending - 41
- ▶ Manufacturing Capital Investment Growth - 44
- ▶ Net Establishment Entrants Increase - 49
- ▶ ACT Score - 40
- ▶ Unemployment Insurance Costs - 47
- ▶ Unemployment Insurance Structure - 48
- ▶ Malpractice Costs - 42
- ▶ Productivity & Labor Supply - 43
- ▶ Prime Working Age Residents - 46
- ▶ Manufacturing Value Added per Hour - 40

# Bottom Ten Areas

- ▶ Cultural Institutions - 42
- ▶ Law Enforcement Personnel - 45
- ▶ Labor Force Participation - 40
- ▶ Broadband Connections - 42
- ▶ Next Generation Internet - 46
- ▶ Digital Connectivity - 45



# Capitalize on R & D

- ▶ University R&D - 5
- ▶ Industry R&D - 4
- ▶ University licenses to small business - 17
- ▶ Federally Funded R&D - 20
- ▶ Patents per R&D Dollar - 10
- ▶ NSF Proposal Funding Rate - 13

# Talent

- ▶ Postsecondary Education - 11
- ▶ Physical Science and Engineering Workers - 2
- ▶ Top-rated Graduate Programs - 7
- ▶ Technologist/Tech Workers - 16
- ▶ 4-Year Tech Credentials - 6
- ▶ 4-Year Knowledge Degrees - 18
- ▶ High-Tech Manufacturing Employment - 2
- ▶ High-Tech Services Employment - 12

# Business Climate

- ▶ Business Liability Costs - 10
- ▶ Next Generation Internet - 46
- ▶ Malpractice Costs - 42
- ▶ Small Business Health Care Premiums - 25
- ▶ Energy Costs - 34
- ▶ Workers' Compensation Premiums - 7
- ▶ Workers' Compensation Cost - 17
- ▶ Unemployment Insurance Costs - 47
- ▶ Unemployment Insurance Tax Structure - 48
- ▶ Business Tax Burden - 4
- ▶ State Business Tax Structure - 7
- ▶ Metro Industrial Rents - 14
- ▶ Unit Labor Costs - 30



# Entrepreneurship Startup vs. Growth

- ▶ Growth in Establishments Gaining Jobs - 22
- ▶ 5-Year Establishment Survival - 10
- ▶ Small Business Payroll Growth - 26
- ▶ Proprietor Income Per Proprietor Growth - 21
- ▶ Growth in Job Gains by Net Expn. Businesses - 22
- ▶ Growth in Establishment Formation Rate - 36
- ▶ Growth in New Business Owners - 11
- ▶ Growth in 1-Year Establishment Survival - 13
- ▶ Increase in High Performance Firms - 19
- ▶ Net Establishment Entrants Increase - 49

# Interesting Ranks

- ▶ Digital Connectivity - 45
- ▶ Broadband Connections - 42
- ▶ Broadband Coverage - 37
- ▶ Rural Internet Access - 22
- ▶ Next Generation Internet - 46
- ▶ Transit Use - 28
- ▶ Homeownership Rate - 2
- ▶ Unemployment Rate - 29
- ▶ Lack of Health Insurance - 12
- ▶ Health Care Access - 25

# Insights

- ▶ The rate of improvement in Michigan's post-recession entrepreneurial economy is slowing, but there is an overall better entrepreneurial economy today than 10 years ago.
- ▶ Michigan holds onto key 'technology and high-skill economy' leadership remarkably well.
- ▶ Michigan's general Business Climate continues to improve.
- ▶ Michigan's Quality of Life supports and attracts entrepreneurs.
- ▶ Poor infrastructure continues to hinder business growth.



# What's Next?

Thank You!

Questions?

# Growth Economics

- ▼ Founded in 2002
- ▼ Personnel located in Sarasota, Florida, Warsaw, Indiana and Galway, Ireland
- ▼ Specializes in the economic growth of sub-national economies—states and regions; good pay jobs, growth businesses, upward mobility and value creation.
- ▼ Utilizes both classical and contemporary theories of growth and economic regeneration
- ▼ Primarily focused on the size, type, history, movement of growth businesses and the drivers of their growth
- ▼ Utilizes new and emerging databases to develop statistically-sound ‘evidence guided growth strategies’ with respect to growth businesses
- ▼ Primary clients: state governments and state Chambers of Commerce/business associations; regional growth alliances
- ▼ Committed to benchmarking as a tool to grab attention and bring about change; prepares competitiveness ScoreCards in 6 states